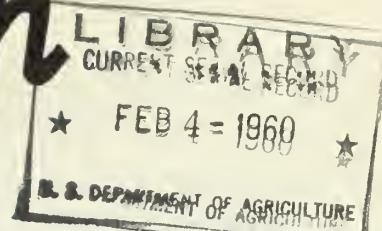


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Foreign CROPS AND MARKETS



FOR RELEASE MONDAY, FEBRUARY 1, 1960

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NEW PUBLICATIONS RELATING TO U.S. FOREIGN AGRICULTURAL TRADE

Single copies free to persons in the U. S. from the Foreign Agricultural Service, U. S. Department of Agriculture, Washington 25, D. C., Room 5922. Phone: DUDley 8-2445.

Foreign Dollar Position Shows Further Strength. Foreign Agriculture Circular FATP 1-60. 4 pp.

U. S. Winter Citrus: Outlook for Competition in Europe. Foreign Agriculture Circular FCF 1-60. 16 pp.

Prospects for Foreign Trade in Oilseeds, Oilseed Products. 18 pp.

Foreign Agricultural Trade of the United States; Statistical Report for November 1959 (issued January 1960). 23 pp.

**U. S. SHARE IN WEST GERMAN
TOBACCO MARKET DOWN**

West German duty-paid imports of unmanufactured tobacco were down a little in the first 9 months of 1959--totaling 124.8 million pounds, compared with 125.5 million in January-September 1958. The U. S. share (42.5 million pounds) was 34.0 percent, compared with 37.4 percent a year earlier.

There were significant increases in imports from several countries competing with the United States in the German market. The Rhodesias and Nyasaland supplied 7.2 million pounds to Germany in January-September 1959, compared with 3.0 million in the corresponding period a year earlier. Imports from Italy rose to 5.9 million pounds from 4.5 million the previous year, reflecting the favorable tariff treatment extended by Germany to another member of the Common Market.

**TOBACCO, UNMANUFACTURED: West Germany, duty-paid imports,
by country of origin, January-September, 1957-1959**

Country of origin	January-September		
	1957	1958	1959
	1,000 pounds	1,000 pounds	1,000 pounds
United States.....	47,204	46,939	42,484
Greece.....	28,006	28,147	25,705
Turkey.....	10,043	10,120	9,374
Rhodesias-Nyasaland.....	2,189	2,972	7,185
Italy.....	3,629	4,466	5,891
Brazil.....	7,416	6,560	5,858
Indonesia.....	5,008	4,471	5,296
Bulgaria.....	3,377	3,160	3,596
Dominican Republic.....	3,852	3,439	3,485
Colombia.....	5,229	5,022	3,383
Japan.....	53	926	2,813
Canada.....	1,458	2,235	1,886
Cuba.....	1,379	1,581	1,724
Thailand.....	884	1,255	1,381
U.S.S.R.....	1,513	962	998
Yugoslavia.....	1,293	1,344	843
China, Mainland.....	185	340	352
India.....	151	478	250
Others.....	611	1,118	2,267
Total.....	123,480	125,535	124,771

LARGER MEXICAN TOBACCO CROP FORECAST

Mexico's tobacco crop in 1960 is forecast at about 87 million pounds--up 40 percent from the relatively small 1959 harvest of 62 million pounds. In 1959, yields of light tobacco in the State of Nayarit, the principal producing area, were very low because of unfavorable weather. This year, however, early-season growing conditions have been very good in all areas.

The 1960 crop is expected to include the following: Flue-cured, 3.5 million pounds; Burley, 1.8 million; other light air-cured, 46.3 million; and dark air-cured, 35.3 million pounds.

RHODESIANS TO HAVE TOBACCO EXHIBIT IN ROME

The Rhodesian tobacco industry, through its Tobacco Export Promotion Council, is sponsoring an exhibit at the Permanent Industrial Exhibition opening in Rome this spring. The exhibit will include photographs, colored transparencies, and samples of all kinds of tobacco grown in the Federation. This will be the industry's first major overseas exhibition.

CANADIAN 1959 FLUE-CURED TOBACCO BRINGING BETTER PRICES

As of January 12, auction sales of 1959-crop flue-cured leaf produced in Ontario, Canada, totaled 55 million pounds at an average price equivalent to 57 U.S. cents. The average price for the 1958 crop was equal to only about 48 U.S. cents, due primarily to a substantial discount on tobacco which had been subjected to applications of maleic hydrazide. In 1959, very few farmers are reported to have used maleic hydrazide.

DUTCH FIX WHEAT AND FEED GRAIN PRICES

The Netherlands fixed price for wheat of the 1960 crop and guaranteed floor prices for homegrown feed grains (rye, oats, and barley) will be slightly higher than for the 1959 crop. The new, and old, support prices are:

Grain	1959 crop		1960 crop	
	Guilders	Dollars	Guilders	Dollars
	Per quintal	Per bushel	Per quintal	Per bushel
Wheat.....	30.95	.23	31.00	.24
Rye.....	27.25	1.83	27.70	1.86
Oats.....	24.65	.95	25.75	.99
Barley.....	26.45	1.53	27.00	1.56

The fixed producer price for Dutch wheat is for grain of 17 percent moisture content delivered f.o.b. merchants' warehouse. The price increases each month from August to April to take care of storage costs. The rising scale is evened out by millers in the sale price of flour. The support price is maintained by means of compulsory mixing regulations. Millers must use a specified quantity of homegrown wheat, currently 40 percent, in flour milling.

There are no duties or quantitative restrictions on wheat imports. However, there is a 3-percent tax on imported flour after the first 60,000 tons. The government is considering an increase in this tax. Total imports of flour are limited to 75,000 tons annually.

For feed grains (rye, oats, and barley), the government each year fixes a producer floor price, f.o.b. merchants' warehouses. The floor prices must be paid to farmers for good average-quality grain with 17-percent moisture content for rye and barley and 15 percent for oats.

To assure farmers of a profit on their domestic sales of feed grains, and especially to prevent feed mills and livestock industries from importing all their requirements, during the past 2 years a tax has been levied on feed grains to equalize the difference between the domestic floor price and the c.i.f. import price.

The levy is being continued, but the former acreage subsidy will not be paid for the 1960 crop. This subsidy amounted to 150 guilders (\$39.75) per hectare (2.471 acres) for coarse grains grown on sandy soils and 60 guilders (\$15.90) when grown on clay soils.

WEST GERMANS PAY LESS FOR U. S. HOPS THAN THEIR OWN

West Germans have been paying less for imported U. S. hops than for hops grown in their own country, according to Brauwelt, a German brewers' journal.

It reports that in late November, hops growers in the Hallertau area of Bavaria (this produces over 70 percent of West Germany's total output) were receiving from DM 150 to DM 200 per centner (32.6 to 43.5 cents per pound). The price of imported U. S. hops, c.i.f. Bremen/Hamburg, was only about DM 126 per centner (27.4 cents per pound), including tariff and turnover equalization tax.

From the beginning of the marketing season on September 1, 1959, until early December, the grower price of Hallertau hops fluctuated between DM 100 per centner (21.8 cents per pound) and DM 200. It is reported to have increased considerably since.

U. S. hops have long been competitive with foreign hops, in both price and quality, in all world markets.

EAST GERMANY SETS IMPORT QUOTA FOR FRENCH HOPS

The French-East German commercial agreement, concluded on March 31, 1958, was extended on December 30, 1959 for another year. This year's agreement contains a provision that East Germany will import \$200,000 worth of French hops during calendar 1960.

COLOMBIA'S 1959 COFFEE EXPORTS SECOND LARGEST

Colombia's 1959 coffee exports of 6,413,380 bags (132.3 pounds each) were the second largest on record, exceeded only in 1953 when exports totaled 6,632,336 bags. Last year's exports were 18 percent above those in 1958--an increase of 972,755 bags.

The United States continued to be Colombia's principal coffee market in 1959, taking 4,865,909 bags or about 76 percent of total exports. However, with Colombia's record exports to Europe and increased exports to other areas, the U. S. share has been steadily declining in recent years.

PHILIPPINES CONTINUES TO IMPORT COFFEE

Coffee imports into the Philippines are being continued, although increased production has lessened import needs. Annual imports in recent years have averaged between 30,000 and 40,000 bags (132.3 pounds each). Production (on a total of about 75,000 acres) is now approaching 200,000 bags per year.

More extensive use of fertilizers, pesticides, and insecticides--along with a coffee-financing plan--are credited with the production increase. This year, trees planted 5 to 7 years ago are coming into full bearing.

CUBA SELLS REMAINING 1959 BLACKSTRAP MOLASSES AT LOWER PRICE

The Cuban Sugar Stabilization Institute has announced the sale of the 81.9 million gallons of blackstrap molasses which remained unsold from the 1959 campaign.

The sale price of 7 cents per gallon f.o.b. Cuban port is considerably below the average level of prices previously paid for 1959-crop molasses. If, however, Cuba sells more than 100 million gallons of its 1960 production at an average price in excess of 7 cents a gallon, the companies which purchased the 81.9 million gallons will be required to meet the increased price on that gallonage.

INDONESIA BEGINS PROGRAM TO GAIN SELF-SUFFICIENCY

A 3-year program to intensify production of rice and other basic foods is being launched in 1960 by the Indonesian Government. Through the use of high-yielding seeds and more fertilizer the country expects to become self-sufficient in rice production by the end of 1962.

To achieve this goal the government is (1) providing information to all farmers throughout Indonesia, and (2) granting credits in the form of high-yielding seedlings and fertilizers. These credits will be repaid in paddy after harvesting.

Credit and supplies will be made available through paddy centers. Plans call for 500 paddy centers to service some 8.6 million acres by 1962. At present there are about 50 centers servicing 250,000 acres. An average paddy center comprises a rice mill and warehouses for storing rice, fertilizers, and agricultural supplies. Besides making its facilities and supplies available to farmers, the paddy center can purchase the farmers' rice crop.

CANADA INSTITUTES CONTROLS ON PORK EXPORTS TO U.S.

A Canadian export control program on pork and pork products put into effect January 18 provides for open general license for exports to all destinations except the United States.

For shipments to the United States, exporters must obtain a specific license for products eligible for deficiency payments (from Grade A and B carcasses) and may ship only pork and pork products which reflect the support price of \$23.65 per 100 pounds warm carcass weight at Toronto. This control measure is to prevent subsidized pork and pork products from moving into the U. S. market.

Applications for export permits will be submitted to the Export and Import Permits Section, Commodities Branch, Department of Trade and Commerce, Ottawa.

On January 9, the Canadian Government ceased buying pork under the price support program and on January 11 inaugurated a deficiency payment program which will permit prices of hogs to find their own level in the market. If the market price average for the year, warm carcass weight for Grade A or B hogs at Toronto is below \$23.65, the government will pay producers the difference between the average market price and the support price. Payments will be limited to "registered" hog producers and to total marketings of 100 head of hogs per farmer per year.

On January 11 hog prices rose sharply and climbed well above support levels, due to greatly reduced marketings as the new system became effective. There was a rush to deliver hogs during the previous week.

CANADA INCREASES EFFORT TO CONTROL SCRAPIE IN SHEEP

A total of 2,033 sheep were slaughtered in Canada during the last 4 months of 1959 under a national program to stamp out scrapie, a disease of the central nervous system of sheep.

Canada's scrapie eradication program, revised in August 1959, provides for the slaughter of infected flocks and any animals moved from infected flocks, as well as their immediate progeny. The program is equivalent to that followed in the United States.

CUBA AND U.A.R. TO TRADE GOODS

A commercial agreement between the United Arab Republic and Cuba has been concluded. Under the agreement Cuba will exchange 60,000 tons of sugar and 2,000 tons of coffee for Egyptian cotton.

Cuba imported 44,847 bales of U.S. cotton in 1957-58 and 9,185 bales in 1958-59.

ISRAEL'S POULTRY INDUSTRY GROWING RAPIDLY

Since the establishment of the Israeli State in 1948, a practically non-existent poultry industry has grown steadily to a point where it is now a significant item in the Israeli economy.

Egg production rose to 34.5 million dozen in 1954 and 42.8 million in 1956. In the next 3 years, production increased even more rapidly. Preliminary reports indicate that it totaled 80 million dozen in 1959. The annual rate of consumption has also showed phenomenal growth, increasing from 236 eggs per person in 1954 to 350 eggs in 1958 (slightly more than U. S. shell egg consumption per person).

Israel became a major exporter of shell eggs last year; preliminary reports show exports of 22.9 million dozen, compared with 9.4 million in 1958 and an average of 0.8 million in the previous 4 years. West Germany is the major market for Israeli eggs.

Available figures indicate that poultry meat production in 1959 reached 73 million pounds, 4 times larger than production in 1954. In this 6-year period, the annual rate of consumption has increased from 10.1 pounds per person to 35.2 pounds. Israel began to export poultry meat on a small scale in 1958.

BRITISH HONDURAS LIBERALIZES MORE IMPORTS FROM DOLLAR AREA

British Honduras has placed the following items on its Open General License No. 1, 1960, published January 9: cattle and swine for slaughter; meat, fresh, chilled, or frozen; sugar; cigarettes; citrus juices; and corn. The only agricultural items remaining subject to a specific import license are: dried beans and peas (red kidney, pinto, split, and lentils); dressed poultry; shell eggs (hens); rice, whole or broken; and fresh vegetables (cabbage, carrots, lettuce, and tomatoes).

There is no longer any requirement for a Certificate of Origin, or prior approval by the Exchange Control Authority where any payment for the goods is to be made to any country other than the country of origin.

PLAN TO STOCK GREEK CURRANTS IN LONDON CANCELED

The Autonomous Currant Organization's plan for stocking up to 1,500 metric tons of Greek currants in London has been canceled according to the Greek Minister of Commerce.

PAKISTAN HAS BUMPER RICE CROP

Pakistan's 1959-60 rice harvest is one of the largest since 1947, when the country became independent. Acreage is the highest in several years; the winter harvest (nearly three-fourths of the total) is better than average and significantly above that of last year. Weather was good, with rainfall in some areas the highest on record.

The first estimate of rice acreage in 1959-60 (published December 15) was 22,383,000 acres, compared with 21,281,000 acres in the corresponding revised estimate for 1958-59, an increase of 5 percent. The final reported area in 1958-59 was 22,494,000 acres.

In East Pakistan, where approximately 88 percent of the country's crop is produced, autumn and winter rice acreages were 2 and 9 percent, respectively, above the corresponding estimates for 1958-59. The increases are attributed mainly to favorable weather and the "grow more food" campaign.

East Pakistan's winter (aman) rice crop, harvested from November to January, comprises about 71 percent of the total crop. About 25 percent is produced in the autumn (aus) harvest, from mid-July to mid-September; and about 4 percent is from the summer (boro) crop in late March and April. West Pakistan's rice harvest lasts from September to November.

URUGUAY'S 1959 WHEAT HARVEST SMALL

Uruguay's 1959 wheat harvest was the smallest of recent years. According to official estimates, production dropped to 8 million bushels. This is only 60 percent of the small 1958 crop and is less than one-third of the 1953-57 average.

Both acreage and yields were sharply below average. Prolonged wet weather prevented normal seeding and acreage is now officially reported at 530,000 acres, compared with the 1953-57 average of 1,869,000 acres. Yield per acre was much below average but was above the very low 1958 yield.

This second successive poor harvest puts Uruguay in a serious deficit position and substantial imports will be required. Normally this country is a net exporter.

AUSTRALIAN WHEAT AND FLOUR
EXPORTS SUBSTANTIALLY HIGHER

Australian wheat and flour exports during the 1958-59 Australian marketing year ending November 30, 1959, were 96 million bushels -- approximately 88 percent higher than the previous year. Wheat exports were more than double those in 1957-58 and flour shipments increased over 50 percent. The larger exports of wheat and flour were the result of a good harvest in 1958-59, good marketing opportunities, and increased sales of flour under new trade agreements with Ceylon and Malaya.

The United Kingdom and Japan took approximately 44 percent of Australia's wheat exports in 1958-59 and about the same percentage a year earlier. Exports to the United Kingdom in 1958-59 were 18.2 million bushels, compared with 9.6 million in 1957-58, and those to Japan were 13.3 million bushels, compared with 5.7 million. Exports to India, Ireland, and Iraq also increased substantially. In addition, 5.6 million bushels were exported to West Germany, Lebanon, and the Philippine Republic; none was exported to these countries a year earlier.

Malaya (including Singapore) was the major market for Australian flour in 1957-58, taking approximately 32 percent of the total exports. In 1958-59, however, shipments to Ceylon exceeded those to Malaya. Exports to Malaya in 1958-59 were 6.4 million bushels and those to Ceylon were 6.6 million bushels, compared with 5.5 and 0.8 million bushels, respectively, in 1957-58. Larger shipments of flour also went to the United Kingdom and Indonesia in 1958-59 than in the year before.

The 1959-60 harvest is not expected to be as large as last season's. However, exportable supplies are expected to be adequate to meet probable demand in 1960, due to larger carryover stocks on December 1, 1959.

**WHEAT AND FLOUR: Australian exports, marketing years ending November 30,
1958 and 1959**

Destination	1957-58			1958-59		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
	bushels	bushels	bushels	bushels	bushels	bushels
Europe:	:	:	:	:	:	:
West Germany	--	--	--	3,590	—	3,590
Ireland	1,528	--	1,528	4,153	--	4,153
United Kingdom	9,641	1,605	11,246	18,163	2,094	20,257
Others	410	--	410	852	6	858
Total	<u>11,579</u>	<u>1,605</u>	<u>13,184</u>	<u>26,758</u>	<u>2,100</u>	<u>28,858</u>
Asia:	:	:	:	:	:	:
Aden	119	1,131	1,250	527	1,620	2,147
Ceylon	10	799	809	9	6,632	6,641
India	562	—	562	3,260	—	3,260
Indonesia	--	1,489	1,489	--	2,467	2,467
Iraq	262	—	262	6,348	—	6,348
Hong Kong	1,803	183	1,986	2,332	240	2,572
Japan	5,659	—	5,659	13,258	—	13,258
Lebanon	--	--	--	1,276	—	1,276
Malaya & Singapore:	666	5,461	6,127	150	6,356	6,506
Pakistan	--	1	1	1,220	—	1,220
Persian Gulf	91	802	893	132	1,217	1,349
Philippines	--	388	388	742	172	914
Others	821	1,433	2,254	1,847	1,222	3,069
Total	<u>9,993</u>	<u>11,687</u>	<u>21,680</u>	<u>31,101</u>	<u>19,926</u>	<u>51,027</u>
Africa:	:	:	:	:	:	:
Rhodesias &	:	:	:	:	:	:
Nyasaland	2,652	194	2,846	2,749	180	2,929
South Africa	--	—	—	1,486	--	1,486
Others	14	1,275	1,289	882	1,029	1,911
Total	<u>2,666</u>	<u>1,469</u>	<u>4,135</u>	<u>5,117</u>	<u>1,209</u>	<u>6,326</u>
Oceania:	:	:	:	:	:	:
New Zealand	10,112	5	10,117	7,904	1	7,905
Pacific Islands ...	24	1,940	1,964	30	2,155	2,185
Total	<u>10,136</u>	<u>1,945</u>	<u>12,081</u>	<u>7,934</u>	<u>2,156</u>	<u>10,090</u>
Unspecified	25	198	223	30	111	141
World total	<u>34,399</u>	<u>16,904</u>	<u>51,303</u>	<u>70,940</u>	<u>25,502</u>	<u>96,442</u>

1/ Converted to grain equivalent.

U.S. APPLE AND PEAR EXPORTS
TO U. K. LARGER

The United Kingdom reports that 281,000 boxes of U.S. apples arrived during the 6-month period July 1-December 31, 1959, compared with 100,000 a year earlier. During the same period, arrivals of U. S. pears rose to 230,000 boxes from only 40,000 in 1958.

CEYLON TAKES LESS CHINESE
RICE IN 1960 AGREEMENT

Ceylon will import 160,000 metric tons (3,527,000 cwt. of 100 pounds) of milled rice from Communist China in 1960 under this year's rice-rubber agreement. This is the smallest amount specified in the 8 years since the agreements were started in 1953. In that year, the volume agreed on was 270,000 long tons, or 6,050,000 cwt. The volume in 1959 was 230,000 metric tons, or 5,070,000 cwt.

The agreed basic price for 1960 imports from Communist China is £30 1 shilling per metric ton (\$3.82 per cwt.) f.o.b., excluding bags.

RICE: Ceylon's imports, by country of origin,
January-September 1959, with comparisons

Year	Burma	Communist China	Thailand	United States	Other	Total
:	:	:	:	:	:	:
:	1,000	1,000	1,000	1,000	1,000	1,000
:	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Average:						
1935-39....	9,850	1/	2,020	0	310	12,180
1951.....	8,311	0	0	0	553	8,864
1952.....	4,964	800	342	1,338	2/1,500	8,944
1953.....	3,150	5,840	0	51	1	9,042
1954.....	3,738	4,801	0	0	330	8,869
1955.....	4,155	2,694	268	0	3/1,370	8,487
1956.....	5,399	5,427	1/	0	8	10,834
1957.....	6,830	3,584	1,091	0	24	11,529
1958.....	3,715	5,487	150	505	775	10,632
Jan.-Sept.						
1958.....	2,026	4,628	146	0	773	7,573
1959.....	3,924	4,708	0	856	397	9,885

1/ Less than 500 cwt. 2/ 507,000 cwt. from Indochina. 3/ 720,000 cwt. from Pakistan.

MEXICAN WINTER VEGETABLES
DAMAGED ABOUT 20 PERCENT

Rain and flood damage to winter vegetables on the West Coast of Mexico may not exceed 15 to 20 percent, according to recent trade reports.

In some of the valleys of southern Sonora and northern Sinaloa 75 percent of the vegetable acreage was lost. However, with the exception of watermelons and canteloups, 60 to 83 percent of the total acreage is concentrated in the Culiacan Valley in Sinaloa, where damage from rains was light. As melons are planted much later than most vegetables, they were damaged less than other crops in the hardest hit areas. Frost damage has been negligible, with only light frost reported near Guaymas.

GREEK 1959 DRIED FIG PACK SMALLER

The 1959 Greek dried fig pack is estimated at 27,000 short tons, a 4,000-ton decrease from 1958 and 1,400 tons below the 28,400-ton average for 1952-56. Qualitywise, this year's pack was reported to be excellent.

According to Greek standards, about 20 percent of the 1959 pack was Grade A; 40 percent Grade B; and 40 percent Grade C. Fig sizes for this year's crop are reported larger than usual. A pound of Grade A figs normally runs 30 to 35 figs; this year there were about 22 to 27 figs per pound. The Greeks consider Grade A figs suitable for the U. S. market.

The Greek trade estimates exports from the 1959 pack at about 16,500 tons; 14,931 tons had been exported by the end of November.

U. S. purchases from September 1 to November 15, 1959 (latest figures by destination) were reported to be only 1,231 tons. Unusually large U.S. purchases in 1958 have slowed down 1959-60 shipments to this country. French purchases through November are estimated at 3,300 tons--considerably above total 1958-59 shipments (about 225 tons). Most of the increased purchases are for the French armed forces.

The exportable stock of Greek dried figs on December 1, 1959, was estimated close to 1,600 short tons. The Greek trade expects to clear stocks in the next few months at improved prices. The price for "U.S. grade" Greek dried figs reportedly averaged about 12.5 cents per pound, c.i.f. New York, through November 1959.

Sykiki's new fig paste plant opened in early December, but produced only sample amounts that were sent to prospective customers. The plant has a reported production capacity of 1 ton per hour and is equipped largely with Greek machinery. Sykiki, proceeding cautiously into paste production, marketed most of the 1959 pack whole, actually preferred in Greece. It is reported that about 220 tons of fig paste can be produced from stocks on hand if demand develops.

EGYPTIAN COTTON EXPORTS AND PRODUCTION UP THIS SEASON

Preliminary statistics for the first 4 months (August-November) of this season show Egyptian cotton exports of 484,000 bales (500 pounds gross)--up 33 percent from exports of 364,000 bales during the same period a year earlier.

Quantities shipped to major destinations during August-November 1959, with comparable 1958 figures in parentheses, were: Czechoslovakia 88,000 bales (70,000); Communist China 80,000 (22,000); U.S.S.R. 69,000 (101,000); India 36,000 (18,000); West Germany 33,000 (2,000); Japan 27,000 (19,000); Italy 24,000 (19,000); East Germany 20,000 (287); Poland 19,000 (19,000); and France 18,000 (15,000).

Over two-thirds of Egypt's exports during the first 2 months of the current season were to Communist Bloc countries. However, there was some shift in the export pattern in the following months, and the percentage of the August-November exports going to the Communist Bloc, at 57 percent, was around the level of a year earlier. Export taxes have been canceled on all varieties of cotton except Ashmouni, and price discounts to hard currency countries have been continued, although the discount was recently reduced from 17 to 14 percent. In an attempt to prevent reexports of Egyptian cotton, the Egyptian Government requires that sales contracts carry a clause in which the importer certifies that the cotton will be consumed in the recipient country.

Heavy buying by Communist countries during the early weeks of the current season, and the increased demand for extra-long staple cotton in non-Communist countries, has been reflected in substantial increases of around $17\frac{1}{2}$ cents per pound in Egyptian cotton prices since March 1959, when extra-long staple prices were at unprecedented lows. Quotations on January 21, 1960, for Karnak FG and Menoufi FG, c.i.f. Liverpool, were 49.14 and 49.72 cents a pound, respectively, compared with 31.59 and 32.18 cents on March 5, 1959.

Egypt's 1959-60 cotton crop is expected to be the largest since 1937-38. The second official government estimate placed production at 2,087,000 bales of 500 pounds gross weight (Foreign Crops and Markets, December 21, 1959). This estimate is 2 percent higher than the 1958-59 crop of 2,048,000 bales, and 22 percent above average production of 1,707,000 bales in the preceding 5 seasons (1954-58).

Acreage in cotton next season may be somewhat less than the estimated 1,827,000 acres harvested in 1959-60, according to early reports. A decline in Menoufi and Ashmouni acreage is contemplated, while increases are indicated for other Egyptian varieties.

Cotton consumption in Egypt has trended upward in recent years, and the outlook for 1959-60 is for a further increase of around 5 percent from the 530,000 bales used in 1958-59. Although use of Karnak, Menoufi, and Dandara rose considerably last season, Ashmouni still accounted for over two-thirds of total consumption. The increase in Egypt's 1959-60 production should be largely offset by increased exports, and stocks at the end of this season are not expected to differ greatly from stocks of about 725,000 bales on August 1, 1959.

CANADA IMPORTING MORE U. S. COTTON

United States cotton has reportedly made up around 95 percent of Canadian mill purchases in recent months. This is in sharp contrast with last season when mills shifted heavily to foreign growths, principally Mexican and Central American.

Imports of U. S. cotton into Canada during the full season may be more than double the 94,000 bales (500 pounds gross) imported from this country in 1958-59, in view of the competitive price of U. S. cotton and smaller supplies outside the United States. Statistics for the first 4 months (August-November) of this season show that the United States exported 49,000 bales of cotton to Canada, against only 18,000 in the same months a year earlier.

Total imports of cotton into Canada during the current season are expected to be moderately above 1958-59 imports of 302,000 bales. Imports last season were 18 percent below 1957-58 imports of 370,000 bales. The U. S. share of the Canadian market declined to 31 percent of the total last season, compared with 80 percent in 1957-58.

Quantities imported from major sources in 1958-59, with comparable 1957-58 figures in parentheses, were: Mexico 177,000 bales (57,000); the United States 94,000 (295,000); El Salvador 20,000 (0); Guatemala 5,000 (0); Sudan 3,000 (9); and Pakistan 2,000 (1,000). Smaller total imports in 1958-59, coupled with increased consumption, resulted in a 45-percent drop in stocks--from 110,000 bales on August 1, 1958, to about 61,000 bales on August 1, 1959.

Cotton consumption in Canada in 1959-60 is running about 6 percent below last season, despite good domestic demand for cotton goods. Consumption from August through December of this season totaled 143,000 bales, compared with 152,000 bales in the corresponding period last season. The decline this season is attributed largely to increased competition from imported textiles. Total consumption of 350,000 bales in 1958-59 was 6 percent above the 329,000 bales used in 1957-58.

Imports of cotton goods (59.2 million pounds during January-August 1959) and of cotton fabrics (158 million yards during January-July 1959) were up 7 and 10 percent, respectively, from corresponding periods a year earlier. Imports from the United States declined in both volume and percent of total in 1959, while imports increased from other sources, including Japan, India, and the United Kingdom.

JAPAN'S IMPORTS OF COTTON LARGER

Preliminary statistics place Japanese cotton imports during the first 3 months (August-October) of this season at 615,000 bales (500 pounds gross)--up 22 percent from imports of 506,000 bales in August-October 1958.

Quantities imported from principal sources during August-October 1959, with comparable 1958 figures in parentheses, were: Mexico 234,000 bales (124,000); Brazil 91,000 (12,000); United States 76,000 (169,000); India 72,000 (56,000); Pakistan 34,000 (57,000); Egypt 18,000 (8,000); El Salvador 16,000 (12,000); Uganda 14,000 (24,000); and Peru 11,000 (4,000).

U. S. cotton exports to Japan have picked up since October, and total exports to Japan this season are expected to be substantially larger than in 1958-59. Earlier this season, purchases of U. S. cotton by Japanese mills consisted largely of lower qualities. However, there is now buying interest in high grades as well, since exportable supplies of competing foreign growths are nearing depletion.

While cotton imports into most major importing countries declined during 1958-59 (August-July), Japan's imports rose to 2,525,000 bales. This was 5 percent above 1957-58 imports of 2,394,000 bales. However, imports from the United States declined sharply during 1958-59 to 646,000 bales, or 26 percent of total imports, compared with 1,050,000 bales, or 44 percent of the total in 1957-58.

Japanese consumption of 2,380,000 bales last season was slightly below the 2,443,000 bales used in 1957-58. There is much more activity in the Japanese cotton textile industry this season than last. Increased demand for cotton yarn and fabrics in both domestic and export markets, and a reduction in stocks of these items, has resulted in further relaxation in cotton spinning curtailments. The Ministry of International Trade and Industry (MITI) eased yarn cutbacks to 15 percent for January-March 1960 from 24.5 percent in the preceding 3 months. Actually, the only spindles now sealed are those which were removed and stored in warehouses.

Mills are reported to have recovered rapidly from effects of the severe typhoon which struck the Ise Bay area in late September, causing temporary shutdowns and heavy damage to many mills.

End-season cotton stocks on July 31, 1959, were estimated at 680,000 bales--up 27 percent from the 536,000 bales on hand a year earlier--as larger imports during 1958-59 were not accompanied by a corresponding increase in consumption.

**PERU'S EXPORTS OF FISH MEAL AND
FISH OIL UP SHARPLY IN 1959**

Peru's fish meal and fish oil industry continued to expand output rapidly in 1959, producing an estimated 285,000 tons of fish meal and 19,500 tons of fish oils. The 1959 output of fish meal was more than double the 135,000 tons produced in 1958, and fish oil production was up 70 percent.

Relatively good demand kept fish meal prices high during 1957 and 1958, and has encouraged expansion of the industry. Most of the fish oil output is produced in connection with the fish meal industry and, consequently, oil production has expanded along with meal.

Most of the fish meal is exported, and exports in 1959 are estimated at 270,000 short tons-- more than double the volume of 1958. Exports of fish oil in 1959 may reach 18,000 short tons, compared with only 1,811 tons in 1958. The marked increase in fish oil exports is attributed to a change in the cost of production rate used to compute the export tax. The rate was revised upward from 460 soles per ton to 3,000 soles, thus sharply reducing the export tax. The 460 soles rate had been in effect for the last 15 years.

FISH MEAL AND FISH OIL: Peru, exports by country of destination
annual 1955-58, estimated 1959

Item and country	1955	1956	1957	1958 1/	1959
	<u>Short tons</u>				
Fish meal:					
United States....	9,193	7,012	18,126	30,590	
Germany, West....	2,331	2,759	12,649	29,378	
Netherlands.....	6,082	17,901	29,900	36,295	
United Kingdom....	518	---	1,435	11,917	
Other.....	2,507	6,465	5,841	8,418	
Total.....	20,631	34,137	67,951	116,598	2/ 270,000
Fish oil:					
Germany, West....	---	991	1,284	593	
Italy.....	---	---	222	602	
Netherlands.....	99	840	2,476	616	
Norway.....	---	---	646	---	
Other.....	2	60	154	---	
Total.....	101	1,891	4,782	1,811	3/ 18,000

1/ Preliminary. 2/ Estimated, exports in January-September totaled 202,922 tons, against 84,564 tons in January-September 1958. 3/ Estimated, exports in January-September totaled 15,227 tons, against 1,650 tons in January-September 1958.

Compiled from official sources except for 1959.

IRELAND RAISES IMPORT DUTIES ON REFINED OILS

Ireland has increased import duties on refined vegetable and marine oils, effective December 11, 1959. The new import duties are: (1) 50 percent ad valorem full rate, and (2) 33 1/3 percent ad valorem preferential rate (Canada and the United Kingdom). The previous rate was 33 1/3 percent ad valorem to all areas.

URUGUAY'S FLAXSEED CROP
SMALLEST IN 17 YEARS

Uruguay's 1959-60 flaxseed crop, now being harvested, is expected to total 1,893,000 bushels, according to the first official estimate. This is a decline of one-third from the 1958-59 crop and is the smallest outturn since the 1,808,000 bushels produced in 1942-43. The decrease was a direct result of smaller plantings.

The second official estimate places plantings at 179,265 acres, almost 40 percent less than in the previous year and the smallest in 31 years. Rains necessitated replanting in some areas after first plantings failed because of flooding and erosion.

Total supply of linseed oil in 1960 is estimated at 22,000 short tons, one-third less than in 1959. Most of the oil will be exported, as domestic needs usually are only about 1,000 tons annually.

FLAXSEED AND LINSEED OIL: Uruguay's supply and distribution,
1959 and 1960

Item	Flaxseed		Linseed oil	
	1959	1960 <u>1/</u>	1959	1960 <u>1/</u>
	bushels	bushels	short tons	short tons
Supply:				
Opening stocks (Jan. 1).....	---	---	8	6
Production <u>2/</u>	2,835	1,893	25	16
Total supply.....	<u>2,835</u>	<u>1,893</u>	33	22
Distribution:				
Crushing.....	2,500	1,578	---	---
Exports.....	---	---	17	17
Industrial use.....	---	---	3	1
Feed, seed and waste.....	<u>3/335</u>	315	---	---
Disappearance.....	---	---	<u>4/ 7</u>	<u>5/</u>
Closing stocks, Dec. 31.....	---	---	6	4
Total distribution.....	<u>2,835</u>	<u>1,893</u>	33	22

1/ Preliminary. 2/ Crop harvested December-February. 3/ Some fields had to be planted twice. 4/ Reported as taken across the border to Brazil. 5/ No disappearance is expected to occur in 1960 due to more favorable export prices.

NEW ZEALAND MEAT SHIPMENTS TO U.S.

Four ships are scheduled to sail from New Zealand in February with a total of 4,600 long tons of meat for the United States. The Indian Reefer and Iberia are to sail February 12 with 600 and 100 tons, respectively. The Monterey, with 150 tons, is to sail on February 13. These 3 ships are bound for the West Coast. The Taranaki, sailing February 20 with 3,750 tons, is bound for the East Coast.

AUSTRALIAN MEAT SHIPMENTS TO U.S.

Sixteen ships carrying meat were reported sailing from Australia to the United States and Canada in November and December. The meat cargo totaled 20,114 long tons.

Ship and destination	Sailing date	Meat cargo (long tons)			
		Beef	Mutton	Lamb	Total
East Coast:					
Port Chalmers.....	November 6	1,674	1,279	201	3,154
Northumberland.....	do. 11	4,236	--	--	4,236
Pioneer Star.....	do. 17	146	90	7	243
Nottingham.....	do. 26	1,135	655	32	1,822
Whangaroa.....	December 4	525	189	10	724
Pioneer Reef.....	do. 16	357	--	--	357
Wharanui.....	do. 18	576	--	--	576
Port Montreal.....	do. 23	1,575	--	--	1,575
Port Macquarie.....	do. 31	3,815	--	--	3,815
Total East Coast....		14,039	2,213	250	16,502
West Coast:					
Monterey.....	November 7	189	--	5	194
Gloucester.....	do. 25	2,070	168	10	2,248
Mariposa.....	December 2	290	--	--	290
Elizabeth Bakke.....	do. 5	138	--	--	138
Lloyd Bakke.....	do. 21	373	--	--	373
Monterey.....	do. 24	289	--	--	289
Oronsay.....	do. 30	80	--	--	80
Total West Coast....		3,429	168	15	3,612
Grand total....		17,468	2,381	265	20,114

Five other ships are scheduled to clear Australia in January and February carrying meat to the United States. The vessels and approximate sailing dates are: Pioneer Glen, January 5; Port Montreal, January 8; Port Phillip, January 23; Coolangatta (sometime in January); and Pipiriki, February 12.

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Official Business

GUATEMALA LICENSES
COTTONSEED EXPORTS

On January 6, the Government of Guatemala licensed 3 firms to export a total of 237,000 Spanish quintals (equivalent to 12,000 short tons) of cottonseed, the largest quantity to be exported in years.

Earlier, on December 19, 1959, the government had prohibited exports of cottonseed and cottonseed cake and meal from the 1959-60 harvest unless requirements of the national industry were first fulfilled (see Foreign Crops and Markets, January 11, 1960). According to the press, the government has now verified that domestic supplies of cottonseed are adequate.

While cotton producers and ginners apparently approve of the exports, dairy and beef cattle producers contend that supplies will not meet their needs and that the export of cottonseed will necessitate imports of cottonseed cake and meal.